APPENDIX

IN THE

United States Court of Appeals

FOR THE FIFTH CIRCUIT

No. 16378

HUNT TOOL COMPANY AND LOUIS DAVIS,
Appellants

VERSUS

RICHARD R. LAWRENCE, DAILEY OIL TOOLS, INC., AND HOUSTON OIL FIELD MATERIALS CO., INC.,
Appellees

Appeal from the United States District Court for the Southern District of Texas

(March 15, 1957)

Before RIVES, TUTTLE and JONES, Circuit Judges.

TUTTLE, Circuit Judge: This is an appeal from a judgment of the district court[1] upholding the validity of two of plaintiff-appellees' patents and holding that they were deliberately infringed by appellants' tool, and disposing of appellants' counterclaim by holding their patent invalid and not infringed by appellees' tools.

[1] 142 F. Supp. 329.

The technical problem to which the several patents and mechanisms at issue are addressed is the devising of a method for "fishing" out of an oil well an object (the "fish"), usually the "liner," that is stuck deep down in or below the "casing"; a mere pull exerted from the surface is frequently not adequate, for the very weight of the grappling tool and its connections many of thousands of feet up to the surface may strain the drilling rig, etc. to its capacity. The basic approach of all the devices here involved is to anchor one part of the "fishing tool" to the well casing reasonably close to the stuck object, to attach another part of the tool to the object itself, and then to exert a force between the two parts of the tool that will cause the object to be moved upward; once it slides freely it can of course be lifted out by conventional means.

The three patents at issue are:

The Costello Patent, No. 2,190,442, applied for on May 10, 1938, and issued on February 13, 1940, is owned by the appellee Dailey Tool Company (Dailey) and is licensed to the appellee Houston Oil Field Material Company (HOMCO). It describes, in its disclosures and its here pertinent claims (1, 2, 16) a device whereby one horizontal plate is fixed across the casing above the stuck object and another movable plate (denominated: "piston") is placed above it in the casing; a "grapple" is attached to the object below and is connected through the lower fixed plate to the upper movable one by means of a hollow tubing, the "string" which extends to the surface. Through the latter, and by means of an outlet in the tube between the two plates, fluid is pumped down and thus hydraulic pressure is exerted between the two plates which causes

the upper one to lift up and pull the grapple and attached object with it. As described in each claim no special cylinder is required to contain the fluid horizontally, since that function is to be performed by the well casing into which the two plates are to be carefully and closely fitted. Although two earlier patents (Swan, No. 1,568,027, and Miller, No. 1,813,459) dealt with the use of hydraulic pressure to remove stuck objects, the Costello patent is apparently the first one in which the necessary force is exerted against a support fastened to the wall casing fairly close to the object, thus avoiding the possibility of breaking the string by putting a long section of it into tension as well as other problems involved in attempting to exert the necessary force directly from the surface. It does appear, however, and the district court found, that no commercially practical tool has or can be built exactly according to the Costello description since well casings are not uniform enough in diameter to permit the necessary close fitting of the plates nor are they strong and tight enough to withstand the pressure of the hydraulic fluid, and finally the device does not lend itself to the use of more than one pair of plates and so the total force that may be exerted is limited to the product of the available hydraulic pressure and the area of the movable plate.

The Davis Patent, No. 2,247,188, applied for on October 3, 1940, and issued on June 24, 1941, is owned by appellant Davis and by Hostutler and Williams, and is licensed to the appellant Hunt Tool Company (Hunt). In this device the portion of the tool that is fixed to the casing is placed above the movable member, which in turn is at-

tached to the "fish" below it; the force between these two members is exerted by means of a threaded rod turned from the surface. In principle the force may be multiplied by adding additional pairs of members. Appellants point out that Claim No. 10,[2] on which they rely, does not specify the means by which the force is to be exerted, either as mechanical or as hydraulic, though the disclosures and all the accompanying illustrations show a screw type device; the district court expressly stated that the patent presents not a hydraulic but purely a screw-jack powered tool, and as so described is inoperative and lacking in utility. Apparently only one tool has ever been constructed according to the Davis patent and though there is some testimony that the tool was once applied successfully this point is in considerable dispute.

The Lawrence Patent, No. 2,377,249, applied for on January 9, 1945, and issued on May 29, 1945, is owned by appellee Lawrence, licensed to appellee Dailey, and sub-licensed to appellee HOMCO. It describes a device in which a series of cylinders are fixed, one above the other and to the casing; inside each of these there is a movable piston, all of which are attached to the central string which extends both up to the surface and downward to the grapple and through which is forced the fluid by which the pistons are lifted in the cylinders. Like Costello it uses hydraulic pressure and basically consists of a plate fastened to the casing (i.e. the bottom of each cylinder)

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[2] "10. A screen and liner puller comprising a tool formed of tool sections, members mounted in said section to move inwardly and outwardly relatively to the sections for connecting one section to a casing and the other section to a screen and liner, means for projecting the members, and means connecting the sections and movable relatively thereto for moving the sections relatively to one another."

and a movable plate above (i.e. the piston) fastened to the string, between which two plates the force is exerted; unlike Costello actual cylinders are used instead of depending on the casing walls to contain the fluid pressure and thereby the several objections that make the Costello device impractical are overcome. Like Davis it may make use of a series of pairs of "plates" which permits multiplication of the force, but unlike it it is specifically a hydraulic tool. Apparently at least one successful tool was made precisely according to this patent, but later tools manufactured by the appellees contain certain departures from it which makes the devices commercially more valuable.

Dailey and HOMCO both manufacture commercially successful tools under the Costello and Lawrence patents, though as noted their design does not follow exactly the illustrations of the "preferred embodiment" in the disclosures. Hunt manufactures a commercially successful tool allegedly under the Davis patent, of which the district court said: "It is my opinion that the application of the doctrine of equivalents would identify the Hunt tool as a copy of the Dailey tool." It is described further below. Both sides claim that the other's tool infringes their patent and that their tool does not infringe the "invalid" patent(s) of their opponents.

The Hunt tool consists of a series of vertically connected cylinders, none of which is fastened to the casing, to the bottom one of which is attached the grapple which secures the stuck object. Inside each cylinder there is a piston, all of which are connected through a hollow central

shaft through which the hydraulic fluid is introduced into each cylinder; this vertical series of pistons is attached to the casing—thus providing the rigid point of support against which the lifting force is exerted. The force is hydraulic and acts between the top surface of each piston and the bottom surface of the top plate on each cylinder, causing the cylinders to rise and pull the grapple up with them. Unlike the devices specifically described by Costello and Lawrence, neither the pistons nor even the movable cylinders are attached rigidly to the string from the top; however, during the crucial pulling stroke the string must be pulled from the top at the same rate that the cylinders are being forced up by the hydraulic pressure else the flow of fluid is cut off by means of a special valve arrangement, and thus the movement of the pistons and the string is coordinated as if they were rigidly fastened together. Like the Costello patent the Hunt tool has a plate(s) fixed with respect to the casing against which a hydraulic force is exerted upward against a plate(s) that is attached to the grapple; unlike it, it has a series of enclosed cylinders, and thus need not rely on the casing itself to contain the hydraulic fluid laterally, nor at the "pistons" attached either to the string from above or to the grapple beneath but are here the element that is fixed to the casing. Like the device described in the Lawrence patent it has a series of enclosed cylinders as well as the other principal features in which Lawrence resembles Costello; unlike it it has vertically mobile cylinders that are attached to the grapple, and pistons that are attached neither to the string nor to the grapple; it also has a number of other features which appellees concede may be patentable improvements over the Law-

rence device. Its resemblance to the Davis patent on which it allegedly relies is limited to the fact that the Davis patent too may suggest a device consisting of more than one vertically arranged set of paired plates—the feature in which it is said to anticipate the Lawrence patent.

The district court, after studying many exhibits, including a visit to the Hunt plant for a look at a full scale model of appellants' tool, and after hearing much expert testimony, decided in substance that:

1. The Costello patent is valid though the exact device it describes is not commercially feasible, but since it is the first development in a new and important field it should be considered a pioneer patent entitled to a broad range of equivalents.

The Davis patent is limited to a screw-jack type device, and as such is inoperative and thus invalid; insofar as its claims may be more broadly construed to cover a hydraulic device as well it was anticipated by Costello.

3. The Lawrence patent embodies the first practical application of the Costello principles, and though not entitled to pioneer status, it too is of a high order of inventiveness and entitled to "a reasonably broad range of equivalents."

4. Though none of the pertinent claims of the Costello and Lawrence patents reads literally on the Hunt tool, this tool nevertheless infringes them by application of the doctrine of equivalents, since it differs from them only in

form and not in substance. The court further found that the Hunt tool was in effect a deliberately altered imitation of the Dailey tool which is derived from the devices described in the Costello and Lawrence patents; the Davis patent is used by appellants merely to hide this usurpation by them of appellees' rights under their patents.

5. The Davis patent is not infringed by the Dailey or HOMCO tools since the latter are hydraulic and the former is limited to mechanical devices.

Appellants broadly attack all of the technical findings of the lower court. The burden of the interrelated strands of their argument is that for various reasons appellees' patents should be narrowly construed so as not to cover appellants' device, while contending for a broad construction and coverage, as well as for validity of their own Davis patent. They claim that the Costello patent covers only a "combination" of old, well-known devices and principles (pistons, cylinders, and the use of hydraulic force) which should be narrowly construed to cover only the exact combinations claimed and should not be given the broad construction of a pioneer invention; they also claim "file wrapper estoppel" against any broad construction of the claims since Costello had been required by the patent examiner to withdraw certain broadly drafted claims; finally they assert that the finding of commercial inutility by the district court is sufficient to invalidate the patent. Similarly they assert that Lawrence attempts to patent a mere combination, which actually should be held to be unpatentable as a mere mechanical advance over the Costello device, or at

most should be allowed a very *narrow construction* since at the time it was filed the field was already largely covered by the Swan, Miller, Jones, Costella, and Davis patents; they assert that the only advance contained in the patent is the use of a multiple set of hydraulic elements which is either unpatentable as a mere multiplication of the device described by Costello or as anticipated by and infringing on the use of multiple elements suggested by Davis; again file wrapper estoppel is urged since Lawrence too had been required to drop his most broadly drawn claim. On the issue of infringement appellants complain mainly that the district court incorrectly compared their accused tool not with the claims of the Costello and Lawrence patents but with the Dailey and HOMCO tools which actually differ considerably from the protected designs; they assert that not only do the claims of the patents not read literally on the Hunt tool but that no mere process of reversal or inversion of parts or the application of recognized equivalents will yield the Hunt tool from the patented devices since in all of the latter the string, the grapple, and the movable pistons are rigidly fastened together while in their tool the string is not fastened to, and thus may be independently manipulated from, the grapple, the pistons, and the cylinders. Finally they assert the validity and applicable coverage of their Davis patent on the grounds that its claims may be construed to cover the use of hydraulic as well as of mechanical forces and though the illustrations are only of the latter the two are recognized as interchangeable equivalents; they also dispute the finding of inutility and consequent invalidity by the district court, relying on the one partially successful attempt that was made by the inventor to utilize his tool.

It appears to us that none of appellants' contentions regarding the validity of the Costello and Lawrence patents overcomes the studied and careful findings of the trial court and the presumption of validity that attaches to the issuance of any patent. We agree with the district court that Costello's development in describing a fishing tool in which the principal force to dislodge the stuck object need not be exerted through many thousands of feet from the surface but can be effected against a support close to the object is worthy of pioneer status and thus to a broad range of equivalents; it quite apparently filled a long felt need. The fact that one ultimately impractical suggestion was also included: that the casing could serve as a cylinder wall, which actually makes the device inapplicable to general use with weak, varying, and irregular casings, though not necessarily in a particular one, does not vitiate the invention or the patent. Lawrence added the ingredient that would make the Costello invention generally applicable: the idea of using enclosed cylinders, as many as may be necessary, to contain the lateral pressure of the fluid in a way that the casing itself could not. Though perhaps in the event this development seems natural it apparently took some five years in an intensely competitive field for the idea to occur to anyone, thus we cannot say that this was a mere unpatentable mechanical advance. 40 Am. Jur., Patents §53. Though not of as high an order of invention as the Costello patent it nevertheless appears broad enough to cover the use of enclosed cylinders and pistons, one of which is attached to the casing and the other to the grapple and any simple inversions of that design.

Similarly we cannot agree with appellants that the Hunt tool does not infringe the Costello and Lawrence patents. As to the former it need merely be pointed out that the Hunt tool too makes use of the important principle of seeking support for one part of the tool by an attachment to the casing close to the stuck object. As to the latter we note that both employ enclosed cylinders containing pistons and the necessary force is exerted by the movement of one of these sets of elements relative to the other forced by the pressure of a fluid pumped into an appropriate chamber of the cylinder. The fact that in one instance the cylinders are attached to the casing while the pistons are the moveable part attached to the grapple, while in the other this relation is inverted does not seem to be a sufficient departure from the protected field to avoid infringement. Appellants make much of the fact that in the Lawrence claims the pistons are "fixed on the string" while in the Hunt tool there is no rigid attachment between the string and either the pistons or the here corresponding cylinders. But though this lack of a fixed connection makes it possible to adjust and use the tool more freely and flexibly, during the crucial pulling stroke the upward movement of the grapple and cylinders is actually coordinated with the lifting of the string from the surface by means of a valve which shuts off the flow of the hydraulic fluid if the former should rise more rapidly than the latter; thus for all practical purposes the cylinders (which in the Hunt tool correspond to the pistons of the Lawrence disclosures and claims) are "fixed" to the string when the tool is actually performing its function. Quite possibly the mechanical separation of the string from the tool, and the valve above referred

to are useful and perhaps patentable improvements, but they do not give their inventor the license to infringe on the protected devices to which they apply.

We are more inclined toward the view of approving the finding of infringement because of the determination of the trial court that the Hunt tool is merely a deliberately altered version of the Lawrence device, a conclusion that was reached by considering the relation and transactions among the various parties and the history of the development of the Hunt tool. As the Supreme Court has pointed out:

> "When the ideas necessary to success are made known, and a structure embodying those ideas is given to the world, it is easy for the skilful mechanic to vary the form by mechanism which is equivalent, and is, therefore, in a case of this kind, an infringement."
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> *Consolidated Valve Co. v. Crosby Valve Co.*, 113 U.S. 157, 179.

Appellants apparently deliberately embarked on a perilous journey between Scylla and Charybdis, without even making certain that there was at all any open water between them, and now they wish us to follow their imagined safe path. On the one hand they argue that the Costello patent should be held restricted to, and therefore probably invalid as unusable, a device not making use of separate cylinder walls; yet on the other they argue that the Lawrence invention which removes this limitation, is a mere unpatentable mechanical advance, probably not entitled to patentability at all or at best to

the very narrowest construction. Thus though these two patents together describe a very valuable tool, and are actually now controlled by the same interests, appellants wish to avoid infringement merely because they copied a device brought to fruition in two rather than in a single stage, by two separately identifiable and patentable advances. This we hold they cannot do.

The district court held that the doctrine of file wrapper estoppel is not available here to limit the construction of the claims of appellees' patent. With this we agree. In neither application was there any revision made in the allowed claims, though in both the patent office originally disallowed and the inventor later withdrew one or more claims. Though there may be instances in which such a retreat does estop the patentee from later claiming a construction for the unchanged and alleged claims that would in effect recapture the territory initially abandoned, this is not so here. Costello abandoned three claims, Nos. 1, 18, and 19, of the original and amended applications; as the patent office pointed out all three were unstatutory on their face, without regard to the details of the invention to which they applied,[8] and thus there can be no

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[8] Claim No. 1 read as follows:

"1. Each and every novel feature and combination and arrangement of novel features present in the mechanism herein disclosed."

It was rejected with the following comment:

"Claim 1 is rejected as obviously unstatutory. (Sec. 4888 R.S.)"

Claims 18 and 19 read as follows:

"18. The method of recovering an object from a well having a casing comprising, engaging the object with a fishing string, establishing a chamber in the casing by fixing an abutment in the casing and providing a piston on the string above the abutment and then introducing fluid pressure to the chamber to act on the piston to raise the object.

implied restraint on the construction of the remaining claims. The situation as to Lawrence is somewhat more difficult to evaluate since the rejection of his original Claim No. 1 was apparently for conflict with the prior art.[4] A reading of the patents referred to in the rejection (none of which deal with a fishing tool *anchored to the well casing*) and a comparison of the rejected claim with the claims that were allowed, shows that the only apparent difference is the addition of the clarification in the other claims that "the grapple will be moved upwardly upon application of fluid under pressure into the cylinder."[5]

"18. The method of recovering an object from a well having a casing comprising, engaging the object with a fishing string, establishing a chamber in the casing by fixing an abutment in the casing and providing a piston on the string above the abutment, introducing fluid pressure to the chamber to act on the piston to free the object, raising the string from the well to recover the object, and by-passing the well fluid past the piston and abutment while moving the string in the well."

The rejection was as follows:

"Claims 18 and 19 are rejected as functional, being drawn to the function of the apparatus. Processes which represent only the function of machines, or the effects produced by such machines upon the material subjected thereto, are not patentable, for it is well settled that one cannot have a patent for the function or abstract effect of a machine, but only upon the machine itself.

[4] Claim No. 1 read as follows:

"1. A pipe puller adapted to be lowered into a well and comprising, a tubular operating string, a cylinder thereon whose lower end is closed, a piston on the string and located in the cylinder, a grapple on the string beneath the cylinder, said string having an outlet port into the cylinder and means for anchoring the cylinder to the wall of the well bore."

The rejection was as follows:

"Claim 1 is rejected as unpatentable over Hughes or Grinnell each showing a string of pipe, a cylinder slidable on the pipe, a piston slidable on the cylinder and wall engaging slips movable by the piston. The tools may be used to pull pipes, as taught by Jones or Newkirk, without involving invention."

[5] This wording taken from original Claim No. 2, now No. 1; similar phrases are included in the other claims.

There is nothing to substantiate appellants' claim that the significant difference between the rejected claim and the others is the phrase in all the latter that there be "a piston fixed on the string" since these are merely the equivalents of the words "a piston on the string" used on the former claim; the reference to the several patents cited do not make such a distinction a plausible ground for the rejection. Also, since the patent examiner's objection was with reference to the prior art, appellants are protected by file wrapper estoppel only if they can show that their alleged infringement is in an area to which the prior art could possibly have been thought to extend so as to make it impossible to make valid claims there, for there is no reason to presume that applicant made a disclaimer broader than necessary to yield to the actual challenge to his claim. See *New York Scaffolding Co. v. Whitney* (8 Cir.), 224 Fed. 452, 462, cert. denied, 239 U.S. 640.

The district court held the Davis patent invalid upon dual grounds: (1) as inoperative and lacking in utility; (2) as anticipated by the Costello patent, at least to the extent of Davis Claim No. 10, *supra*. Insofar as that claim may be construed to refer to a hydraulically operated tool this second conclusion is undoubtedly correct since the proviso "for connecting one section to a casing" is precisely the crucial invention of the Costello tool; since that claim appears to have little other content its invalidation is not erroneous. However, the district court's conclusion that the entire structure disclosed in that patent is useless appears to be based merely on the one inconclusive experiment in which the tool was used but upon

being pulled back to the surface it was found that the "fish" had escaped from the grapple; since there was some inherently not incredible testimony that the object had first actually been moved and since in any case no conclusion of general inutility can follow from one unsuccessful experiment, we hold that the district court went too far in invalidating the entire patent. In any case that was not necessary since we can see no possible conflict between the invention disclosed or the claims made in the Davis patent and the hydraulic tools of Dailey and HOMCO that allegedly infringe it or the Lawrence patent that it allegedly anticipates. Granted that in many instances a hydraulic force may be the equivalent of a mechanical one and may be substituted for it under the doctrine of equivalents, the problem solved by the Lawrence patent was *how* to apply a hydraulic force successfully to the basic Costello design, and to that problem Davis made no contribution.

Except insofar as this opinion refers to the validity of the Davis patent, the judgment of the district court is

AFFIRMED.

JUDGMENT.

Extract from the Minutes of March 15, 1957.

No. 16378

HUNT TOOL COMPANY and LOUIS DAVIS,
versus
RICHARD R. LAWRENCE, DAILEY OIL TOOLS, INC., and HOUSTON OIL FIELD MATERIALS CO., INC.

This cause came on to be heard on the transcript of the record from the United States District Court for the Southern District of Texas, and was argued by counsel;

On consideration whereof, It is now here ordered and adjudged by this Court that the judgment of the said District Court in this cause be, and the same is hereby, affirmed, except insofar as the opinion of this Court refers to the validity of the Davis patent;

It is further ordered and adjudged that the appellants, Hunt Tool Company and the surety on its supersedeas bond herein, American Employers' Insurance Company, and Louis Davis, and the surety on his appeal bond herein, American Employers' Insurance Company, be condemned, in solido, to pay the costs of this cause in this Court for which execution may be issued out of the said District Court.

1782 COURT'S MEMORANDUM OPINION AND FINDINGS OF FACT AND CONCLUSIONS OF LAW

(Caption Omitted)

(dated, June 25, 1956)

Earl Babcock, of Duncan, Oklahoma;
Lawrence Gwin, of Bay City, Texas;
Fulbright, Crooker, Freeman, Bates & Jaworski (James F. Weiler), of Houston, Texas;
for Plaintiffs and Cross-Defendants.

Vinson, Elkins, Weems & Searls (J. V. Martin, Joe E. Edwards and John C. Snodgrass), of Houston, Texas; for Defendant and Cross-Plaintiff Hunt Tool Company.

William E. Ford, of Houston, Texas, and Allan D. Sanford, of Corpus Christi, Texas; for Defendant and Cross-Plaintiff Louis Davis.

Ray H. Hostutler, of Corpus Christi, Texas; pro se.

Floyd A. Williams, of Austin, Texas; pro se.

This is a suit for patent infringement, injunction and accounting for profits and damages brought by Richard R. Lawrence, Dailey Oil Tools, Inc., and Houston Oil Field Material Company, Inc., as plaintiffs, against Hunt Tool Company, Louis Davis, Ray H. Hostutler, and Floyd A. Williams, as defendants. During the trial Williams was dismissed as a party defendant. The plaintiffs assert their claims against defendants under the Costello Patent No. 2,190,442 and the Lawrence Patent No. 2,377,249.

All defendants, including Williams, have filed and assert their counterclaims against the plaintiffs for similar relief, asserting their claims under the Davis Patent No. 2,247,188.

For convenience and brevity, Dailey Oil Tools, Inc. will hereinafter be referred to as Dailey, Houston Oil Field Material Company, Inc. will hereinafter be referred to as HOMCO, Hunt Tool Company will hereinafter be referred to as Hunt Company, and the individual parties to the suit will be referred to by their surnames only. Witnesses may likewise be referred to by surnames only.

The patents in suit involve what are popularly known in the trade as "fishing tools," being tools designed for use in removing stuck objects from oil wells. Dailey is the owner of the Costello patent. Lawrence is the owner of the Lawrence patent. Dailey is the holder of an exclusive license under the Lawrence patent and HOMCO is a sub-licensee thereunder. Davis, Hostutler and Williams are the owners of the Davis patent, and Hunt Company is the licensee thereunder.

Application for the Costello patent was filed May 10, 1938 and patent was issued February 13, 1940. Application for the Lawrence patent was filed January 9, 1943 and patent was issued May 29, 1945. Application for the Davis patent was filed October 3, 1940 and patent was issued June 24, 1941. Plaintiffs base their suit upon Claims 1, 2 and 16 of the Costello patent and Claims 5 and 6 of the Lawrence patent. Defendants and cross-plaintiffs base their suit upon Claim 10 of the Davis patent. Of the three patents in suit Costello is the oldest and Lawrence is the newest.

Dailey manufactures and uses commercially a fishing tool which we will hereinafter refer to as the Dailey tool. Hunt Company manufactures and uses commercially a fishing tool which we will hereinafter refer to as the Hunt tool. Plaintiffs assert that the Hunt tool infringes their patents and defendants and cross-plaintiffs assert that the Dailey tool infringes their patent.

The Costello patent presents a fishing tool employing hydraulic lifting power wherein it is designed that the walls of the casing be utilized as the hydraulic pressure cylinder. The evidence shows that it is not a practical commercial tool, the impracticability being that there is no standard to be found in casing walls and that they are not dependable as hydraulic cylinders because of leaks and inability to withstand internal pressures. The Lawrence patent presents a fishing tool which also employs hydraulic lifting power and provides hydraulic pressure cylinders within the tool and provides for a plurality of aligned cylinders to multiply lifting power. The Dailey tool embodies these principles.

The fishing tool presented by the Davis patent is not a hydraulically powered tool but is a lifting devise powered by screw-jacks.

The Hunt tool employs hydraulic lifting power and has a plurality of aligned cylinders.

In brief, plaintiffs' evidence shows a long existing demand in the oil industry for an effective fishing tool. Plaintiffs evidence shows successful operation of the Dailey tool as early as 1946 and continued successful use thereafter.

Mr. Davis testified to one successful use of his screw-jack tool near Corpus Christi, but there is no evidence of its continued use. Mr. Thomas N. Hunt, an officer of Hunt Company, testified that the screw-jack tool will operate but is not commercially profitable. Mr. Hunt further testified that he had knowledge of the Lawrence patent as early as September 1948. Hunt Company negotiated with Davis, Hostutler and Williams for acquiring the exclusive license rights under the Davis patent in October and November of 1948 and completed the acquisition of such rights on February 16, 1949. Mr. Hunt testified that he was never interested in making a screw-jack pulling tool like that disclosed in the Davis patent. He further testified that he wanted to make a hydraulic pulling tool and that he instructed his chief engineer, Mr. George Harrington, to design such a tool. Mr. Hunt testified that he asked Mr. Harrington if he could take the Davis patent and make a hydraulic tool out of it and Harrington answered that he could build a hydraulic pulling tool that wouldn't infringe anybody.

The Dailey tool and the Hunt tool are not identical but are similar, except that they appear to be identical in function. Operation of the two tools appear to be based upon the same principles. It is my opinion that application of the doctrine of equivalents would identify the Hunt tool as a copy of the Dailey tool.

I am of the opinion that plaintiffs possess valid inventions of a hydraulic pulling tool under their Costello and Lawrence patents and that they have been infringed by the Hunt tool. Judgment will be entered in favor of plaintiffs and against the defendants and against the cross-plaintiffs on their counterclaims.

The following are filed as Findings of Fact and Conclusions of Law:

Findings of Fact

1. Plaintiffs have title in the Costello patent 2,190,442 and in the Lawrence patent 2,377,249 in suit.

2. Claims 1, 2 and 16 of the Costello patent are valid. These claims are directed to a combination of elements for pulling stuck objects from oil wells by the application of hydraulic force. The combination consists of two spaced elements adapted to be run into the well on an "operating string" such as tubing, slip mechanism for anchoring one of the elements to the casing in the well, a grapple for connecting the other of the elements to the stuck object and means for introducing fluid pressure into the chamber formed between the two elements.

3. The Costello patent is a pioneer patent. Prior to the filing date of this patent on May 10, 1938, there was no machine available for pulling objects from oil wells, hydraulically operated or otherwise, except by connecting a grapple thereto and lifting the grapple with the operating string from the surface of the well. Prior to May 10, 1938, the known means were wholly inadequate for pulling stuck objects from wells and the common practice was to cut the stuck object up into pieces and remove the pieces one at a time. The combination proposed by Costello has solved a problem which had existed for a long time and has saved the oil industry large sums of money. The Costello patent is entitled to a broad range of equivalents.

4. Claims 5 and 6 of the Lawrence patent are valid. These claims are directed to a combination of elements for pulling stuck objects from oil wells by the application of hydraulic force, and the combination employs the same mode of operation as the earlier Costello patent, but Lawrence made important improvements over Costello. The Costello structure did not lend itself to the use of more than one pressure cylinder so that the total force which could be applied hydraulically was limited. Lawrence so constructed the pulling elements that any reasonable number of pulling cylinders could be employed. Claim 5 of the Lawrence patent defines a combination consisting of an operating string, a plurality of aligned cylinders, pistons in the cylinders, a grapple, means such as slip mechanism for anchoring the cylinders to the casing in the well, and ports for conveying fluid under pressure from the operating string to the cylinders to elevate the pistons, operating string and grapple. Claim 6 of the Lawrence patent defines essentially the same combination as Claim 5 thereof, but adds one more element to the combination, this being the outlet ports above the pistons in the cylinders.

5. While the Lawrence patent does not have the pioneer status accorded to the Costello patent in this art, Lawrence was the first to supply the industry with a hydraulic pulling tool, and this patent is entitled to a reasonably broad range of equivalents.

6. There is no anticipation in the prior art of the combinations of Claims 1, 2 and 16 of the Costello patent in suit or of Claims 5 and 6 of the Lawrence patent in suit; and the inventions defined in these claims are of a high order.

7. Plaintiffs are not estopped, by reason of any of the proceedings in the Patent Office, from a broad application of equivalents to Claims 1, 2 and 16 of the Costello patent and Claims 5 and 6 of the Lawrence patent in suit. No amendments were made in these claims at any time during the prosecution of the applications, to avoid the prior art or otherwise. All of the claims in suit were allowed as filed. Claims 1 and 2 of the Costello patent, and Claims 5 and 6 of the Lawrence patent were allowed in the first actions taken by the Examiners, and it was never necessary for the attorneys to ask for any construction thereof, and no comments were made thereon either by the Examiners or by the attorneys. While Claim 16 of the Costello patent was presented to the Patent Office by amendment, it is directed to the same combination as Claims 1 and 2 which had previously been allowed by the Examiner. There is no difference between the monopoly asserted before the Patent Office and that presently claimed in either the Costello patent or the Lawrence patent in suit.

8. Plaintiffs have not been guilty of laches in the assertion of their rights under the Costello patent and the Lawrence patent in suit.

9. Defendants, Hunt Tool Company, Louis Davis and Ray Hostutler, have jointly infringed Claims 1, 2 and 16 of the Costello patent in suit, and Claims 5 and 6 of the Lawrence patent in suit, by the manufacture and use, in the Southern District of Texas and elsewhere in the United States, of the hydraulic pulling tool shown and described in the catalog (PX-1) of the Hunt Tool Company.

10. None of the asserted claims of the Costello and Lawrence patents in suit reads literally upon the hydraulic pulling tool shown and described in the catalog (PX-1) of the Hunt Tool Company. Infringement exists by virtue of the fact that the hydraulic pulling tool of said catalog employs combinations which are the full mechanical equivalent of the combinations defined in the asserted claims. Claim 1 of the Costello patent recites that the two spaced elements are "adapted to seal with the wall of the well to define a chamber in the well," and Claims 2 and 16 of this patent contain a similar recital. The Hunt pulling tool has a cylinder integral with one of its spaced elements, so that its two spaced elements are sealed with respect to each other to define a chamber in the well. The Costello patent suggests this construction to one skilled in the art, and this difference in structure is only one of form and is not sufficient to avoid the charge of infringement. Except for this difference in form, the Hunt pulling tool is identical with that defined in Claims 1, 2 and 16 of the Costello patent; the mode of operation is the same; and the result is the same. The Hunt hydraulic pulling tool has the same elements as those defined in Claims 5 and 6 of the Lawrence patent in suit, and they have the same mode of operation and produce the same result. There is no literal reading of Claims 5 and 6 of the Lawrence patent on the Hunt tool because the Hunt tool reverses the position of the cylinders and pistons in the assembly, and makes some elements of two parts instead of one. These differences are merely differences in form and involve only mechanical equivalents. Provision is made for relative movements between some of the parts of the Hunt tool at times, and this is an advantage because it enables the opening and closing of valves to circulate fluid in the well before or after the pulling stroke.

Yet there is no relative movement between the operating string, the cylinders and the grapple during the pulling stroke. Hence the provision for relative movement has no effect on the operation of the combination claimed in the Costello and Lawrence patents in suit.

11. The Hunt hydraulic pulling tool incorporates some improvements over the disclosures of the Costello and Lawrence patents in suit, but these improvements do not affect the operation of the essential features of the Hunt tool insofar as the combinations of the asserted claims of the Costello and Lawrence patents are concerned.

12. The infringement by defendants was willful. The combination of the Lawrence patent was deliberately copied. The changes in form and reversal of parts were made in an attempt to disguise the infringement.

13. Rights under the Davis patent No. 2,247,188 were purchased by the Hunt Tool Company for the purpose of concealing the usurpation of rights of plaintiffs under the Lawrence patent in suit, and to dissuade plaintiffs from asserting their rights.

14. The Davis patent is invalid. The structure there disclosed is inoperative and is lacking in utility. Claim 10, which is the only claim asserted in the counterclaim by defendants in this action, does not define invention over the disclosure of the Costello patent, the application for which was filed in the Patent Office before Davis claims to have made his invention.

15. The Davis patent is not infringed by plaintiffs' hydraulic pulling tools. If construed to distinguish from the

teachings of the Costello patent, the Davis patent is limited to a mechanical screw-jack pulling tool which is not employed by plaintiffs.

Conclusions of Law

1. This court has jurisdiction of the subject matter in suit, and over the parties involved.

2. A patent granted by the United States Patent Office is presumed to be valid.

3. Patents on important combinations of elements are not rendered invalid by a showing that some or all of the elements making up the combination are, by themselves, old in the art. To anticipate a patent on a combination of elements, it is necessary to find that combination in the prior art.

4. Patents on important new combinations of elements are entitled to a broad range of equivalents. Infringement of the claims of such patents is not avoided by making changes in form, or making an element of the combination of two parts instead of one, or by mere reversal of parts. The doctrine of equivalents applies even though the changes avoid a literal reading of the asserted claims on the accused device.

5. The doctrine of file wrapper estoppel does not apply to a mere revision as to the form of claims during the prosecution of the application in the Patent Office. It is a question of substance, not terminology. The essence of the doctrine of file wrapper estoppel is that the Applicant has

taken some position in securing the allowance of claims which it would be inequitable to later permit him to change in order to apply the doctrine of equivalents. Estoppel does not apply where the Applicant has not taken any position in the Patent Office as to the claims asserted in action for infringement, and especially where the asserted claims were never rejected on the prior art. Estoppel does not apply unless a patentee is seeking, in a suit for infringement, to have a monopoly on subject matter he specifically disclaimed by some act during the prosecution of his application for patent.

6. Infringement is not avoided by making improvements on a patented combination, especially where the improvements relate to part of the machine which are not used when the patented combination is in use. This rule applies even though the improvements are, in themselves, patentable.

7. A patent on a structure which is lacking in utility is invalid.

8. The claims of a patent are not infringed when they have to be construed broadly to define the accused device, and when so construed, they define exactly what was old in the prior art.

Copies hereof will be forwarded by the Clerk to counsel of record, who will draft and submit Decree conforming herewith. Copies hereof will also be forwarded to Messrs. Hostutler and Williams.

JOE INGRAHAM
Judge

1798 FINAL JUDGMENT

(Caption Omitted)

(Filed, July 12, 1956)

This cause came on to be tried before the Court sitting without a jury, and the Court having considered the pleadings and evidence presented on trial, and upon briefs and arguments for the respective parties; and the Court having heretofore, on June 25, 1956 made and filed its Opinion and Findings of Fact and Conclusions of Law, it is hereby

ORDERED, ADJUDGED and DECREED as follows:

1.

That the Plaintiffs herein have title to the Costello patent No. 2,190,442 issued February 13, 1940 and in the Lawrence patent No. 2,377,249 issued May 29, 1945.

2.

That claims 1, 2 and 16 of said Costello patent are valid.

3.

That claims 5 and 6 of said Lawrence patent are valid.

4.

That Defendants, Hunt Tool Company, Louis Davis and Ray Hostutler, have jointly infringed claims 1, 2 and 16 of said Costello patent and claims 5 and 6 of said Lawrence patent by the manufacture and use, in the Southern Dis-

trict of Texas and elsewhere in the United States, of the hydraulic pulling tool shown and described in the catalog (PX-1) of the Hunt Tool Company.

5.

That a writ of injunction issue out of and under the seal of this Court directed to the said Hunt Tool Company, Louis Davis and Ray Hostutler, their officers, agents, attorneys, employees, associates and privies, enjoining them and each of them from and after July 12th, 1956, from directly or indirectly infringing claims 1, 2 and 16 of said Costello patent and claims 5 and 6 of said Lawrence patent during the remainder of the terms for which said patents have been granted.

6.

That Plaintiffs recover from Defendants the damages to which they are entitled by law.

7.

That this case be referred to a special master to take and state an account of Plaintiffs' damages and to assess the same by reason of said infringement.

8.

That Defendants herein have title to the Davis patent 2,247,188 issued June 24, 1941.

9.

That claim 10 of said Davis patent is invalid.

10.

That claim 10 of said Davis patent has not been infringed by any of the Plaintiffs herein.

11.

That Defendants' counterclaims be and the same are hereby dismissed on the merits.

12.

That the Plaintiffs recover from the Defendants their costs in this suit to be taxed by the Clerk.

Dated this 12th day of July, 1956.

JOE INGRAHAM
U. S. District Judge

Approved as to form:

EARL BABCOCK,
Attorney for Plaintiffs

J. V. MARTIN,
Attorney for Defendant
Hunt Tool Company

Attorney for Defendant
Louis Davis